

Witness: Terry L. Schwennesen

Information Request AG-1-1

Request:

Please provide the best estimates of the milestone dates associated with divestiture transaction on a time line. Please include a schedule of the currently expected filing dates with all regulatory agencies, the approval dates from each agency and the approval dates of all other necessary agreements and contracts.

Response:

The following is a schedule of the filing dates with all regulatory agencies, the currently expected approval dates from each agency, as well as the dates of all other necessary agreements and contracts. The parties anticipate receiving by November all regulatory approvals for which approvals must be obtained before closing, in order to achieve the targeting closing date of late-November, 2002.

Regulatory Agency	Filing Date or Projected Filing Date	Expected Approval or Effective Date
New Hampshire Public Utilities Commission	5/17/02	8/30/02
New Hampshire Nuclear Decommissioning Finance Committee	5/9/02	Mid-August 2002
Connecticut Department of Public Utility Control (CT DPUC)	5/17/02	The CT DPUC will bifurcate proceedings to allow EWG findings by 8/7/02 and a final order by 9/11/02
New York Public Service Commission	5/17/02	8/30/02
Vermont Public Service Board	6/28/02	8/30/02
U.S. Nuclear Regulatory Commission	5/17/02	11/15/02

Regulatory Agency	Filing Date or Projected Filing date	Expected Approval or Effective Date
<u>Federal Energy Regulatory Commission</u> Sellers' Joint Section 203 filing	5/17/02	8/1/02
Sellers' Joint Section 205 filing	5/17/02	8/1/02
Canal Electric Section 205 filing	5/17/02	7/17/02
FPLE Seabrook Section 205 filing	5/17/02	7/5/02
FPLE Seabrook EWG filing	after state PUHCA § 32(c) findings are received	60 days after filing
Department of Justice	6/18/02	Waiting period expires on 7/17/02
Environmental Protection Agency – transfer of NPDES Permit	5/20/02	11/1/02
FCC – approval of assignment of private radio licenses	6/20/02	8/1/02
U.S. Internal Revenue Service – request for private letter ruling	5/21/02	11/1/02 (expected 6 months from date of filing)
NH Site Evaluation Committee (NHSEC)	5/21/02	6/21/02 (NHSEC approval not necessary)
U.S. Coast Guard – transfer of permit for navigational Aids	5/20/02	11/1/02
NH Department of Health and Human Services – Transfer of X-ray unit Registration	5/17/02	Permit to be issued one to two months after closing with effective date as of closing
NH Department of Safety – Transfers of Fleet Inspection Station Permit and Dealer Repair Permit	by 8/30/02	11/1/02

Regulatory Agency	Filing Date or Projected Filing date	Expected Approval or Effective Date
NH Fish and Game – Transfer of Possession and Display of Finfish and Invertebrates Permit	5/17/02	Permit to be issued within one month after closing with effective date as of closing
U.S. Army Corp of Engineers – Transfer of Corps of Engineers Permit	5/17/02	Approved for transfer on date of closing
US Department of Transportation – Hazardous Material Registration	6/4/02	7/1/2002
Transfer of Letter of Authorization for Marine Mammal Taking	5/17/02	11/1/02
NH Department of Environmental Services – Transfer of Hazardous Waste Limited Permit for Elementary Neutralization Units No. DES-HW-LP-011 for Lab Drains in Radiological Control Area and No. HW-LP-970-001 for Waste Holdup Sump in Steam Generator Blowdown Building	5/17/02	by 11/1/02
Administrative permit amendment to Clean Air Act Amendments Title V Operating Permit No. TV –OP-017	5/20/02	11/1.02
	5/17/02	11/1/02
Seabrook – Approval for Industrial Wastewater Discharge Permit (No. SEA10013)		
Town of Seabrook business license	by 8/30/02	11/1/02

Witness: Terry L. Schwennesen

Information Request AG-1-13

Request:

Referring to page 9 of Mr. Dabbar's prefiled testimony, please provide an itemization and quantification of all "other assets except those identified in (a), (b), and (c)" referred to and please also provide the current book value, accumulated depreciation, and fair market value of each of those assets.

Response:

Attached is a worksheet identifying NEP's net plant investment in all Seabrook assets except nuclear fuel, Seabrook Unit 2 and the NAEC real property, and accumulated depreciation (identified as total reserve).

NEP does not calculate or maintain the fair market value of these assets on its books.

Witness: Terry L. Schwennesen

Information Request AG-1-23

Request:

Please provide a complete and detailed description of all of the terms of the agreement with the buyer to transfer legal and regulatory liability associated with each facility and its operations to buyer, providing cites to the Sales Documents when applicable.

Response:

The Purchase and Sale Agreement ("PSA") provides that on and after the relevant closing date the buyer will assume, satisfy or perform all of the liabilities of the relevant sellers in respect of, or otherwise arising from the operation or use of the Acquired Assets (as defined in the PSA) other than certain specifically excluded liabilities. These liabilities to be assumed, satisfied or performed by the Buyer are described with particularity in Section 2.3 of the PSA. In addition, Section 5.7 of the PSA describes the obligations of the buyer with respect to plant personnel as of and after the closing.

Witness: Terry L. Schwennesen

Information Request AG-1-24

Request:

Please provide a complete and detailed description of all of the legal and regulatory liabilities associated with each facility and their operations that will remain with the Company after the sale of the unit.

Response:

The Purchase and Sale Agreement ("PSA") provides that the buyer shall not assume, satisfy or perform any of the liabilities listed in Section 2.4. Accordingly, the Company will be responsible for a pro rata portion of applicable liabilities listed in Section 2.4 in accordance with the Seabrook Joint Ownership Agreement. In addition, the Company has agreed to indemnify the buyer for a pro rata portion of certain Losses (as defined in the PSA), if any, incurred by the buyer to the extent set forth in Section 9.3 of the PSA, subject to the conditions and limitations set forth in Section 9 of the PSA.

Witness: Terry L. Schwennesen

Information Request AG-1-32

Request:

Please indicate whether the proposed sale in any way afford disparate treatment amongst the Companies for their respective ownership interests in Seabrook Station. Please identify and explain the purpose of any such disparate treatment.

Response:

The terms of the proposed sale do not afford disparate treatment among similarly situated Sellers for their respective ownership interests. However, in certain limited instances, the terms of the proposed transaction recognize that individual Sellers may not be similarly situated as to the ownership of specific assets or the manner in which their ownership interests are financed.¹

¹ For example, Section 2.5(a) and Section 2.1(a)(i) of the PSA provide that FPLE Seabrook will pay North Atlantic Energy Corporation ("NAEC") \$2.4 million for the real property that is solely owned by NAEC. NAEC's solely owned property surrounds the jointly owned property and at one time acted as an exclusion zone around Seabrook Station. Likewise, as a result of an individual owner's circumstances at the time of sale, the terms of the PSA may result in differing impacts on a given owner. For instance, the level of an individual owner's decommissioning "top-off" payment is dependent on the balance of that owner's decommissioning trust fund at closing. See Section 5.10 of the PSA.

Witness: Terry L. Schwennesen

Information Request AG-1-33

Request:

Provide a list of all environmental liabilities related to Seabrook Station that buyer is not assuming. Please also quantify the cost of each of the environmental liabilities and provide the documentation that forms the basis for each such quantification.

Response:

The Purchase and Sale Agreement provides that the buyer shall not assume, satisfy or perform any of the liabilities, including the environmental liabilities, listed in Section 2.4. As of the date of this response, the Company has no knowledge of the existence of any such liability and therefore cannot quantify its cost.

Witness: Terry L. Schwennesen

Information Request AG-3-1

Request:

Provide unredacted copies of all documents, correspondence, analyses and work papers produced by the Company's employees, consultants, agents and others as part of the evaluation process of the bids.

Response:

CONFIDENTIAL MATERIALS ATTACHED

Attached are unredacted copies of all documents, correspondence, analyses and workpapers of the following individuals prepared as part of the evaluation of the bids:

Terry L. Schwennesen
William S. Hass
Laura S. Olton, Esquire
Additional National Grid employees involved in the analysis of the bids
Seth Shortlidge, Esquire (Gallagher, Callahan & Gartrell)
Alexander Manganiello, Esquire (Ropes & Gray)
Hemmie Chang, Esquire (Ropes & Gray)

For additional responsive information, please also see the responses to Information Request AG-3-2, AG-3-4, and the various responses by Paul Dabbar to the Attorney General's first set of information requests. NEP will supplement this response if additional documents are obtained during further review of its files.

The attached documents contain information that are auction-related and bid-related. Accordingly, NEP requests that these documents be protected from public disclosure, as detailed in NEP's June 24 Motion for a Protective Order, filed separately. In addition, the attached material is subject to the Non-Disclosure Agreement executed between the Attorney General and NEP relative to this proceeding.

Witness: Terry L. Schwennesen

Information Request AG-3-2

Request:

Please provide all materials, scripts and other supporting documents prepared or made available for the corporate management and corporate board meetings regarding the sale of Seabrook. Please provide all minutes to those meetings.

Response:

CONFIDENTIAL MATERIALS ATTACHED

Attached are copies of minutes of the NEP Board of Directors Meetings of November 12, 2001, April 1, 2002, April 12, 2002, as well as materials and other supporting documents prepared for such meetings.

These documents contain information that are auction-related and bid-related and contain competitively sensitive information. Accordingly, NEP requests that these documents be protected from public disclosure, as detailed in the Company's June 24 Motion for a Protective Order, filed separately in this proceeding. In addition, the attached material is subject to the Non-Disclosure Agreement executed between the Attorney General and NEP relative to this proceeding.

It should be noted that the following documents prepared directly for the NEP Board of Directors by outside counsel are protected by the Attorney Work Product and Attorney-Client Privileges and will not be produced:

- (1) Memorandum dated March 29, 2002 to the Board of Directors of NEP from Hemmie Chang, Esquire (Ropes & Gray) and Seth Shortlidge, Esquire (Gallagher, Callahan & Gartrell) entitled Executive Summary of Bidder Green's Right of First Refusal Proposal
- (2) Memo dated March 29, 2002 to the Board of Directors of NEP from Hemmie Chang, Esquire (Ropes & Gray) and Seth Shortlidge, Esquire (Gallagher, Callahan & Gartrell) entitled Seabrook Joint Ownership Agreement: Review of Right of First Refusal

Witness: Terry L. Schwennesen

Information Request AG-3-3

Request:

Please provide the Company's current estimate of the Transaction Costs to be incurred as a result of the sale of its generation assets. Please describe, itemize and quantify each of these costs.

Response:

Attached is a description of the Company's current Transaction Costs incurred to date.

As stated in Attachment TLS-1, the Company has estimated its total Transaction Costs to be \$3 million.

Witness: Terry L. Schwennesen

Information Request AG-3-4

Request:

Please provide a complete unredacted copy of the Henwood Study and any other studies or analyses that forecast the power market that were used to evaluate the purchase power contract bids.

Response:

CONFIDENTIAL MATERIALS ATTACHED

NEP used three sources to evaluate purchase power contract bids. They are: (1) The Henwood Study; (2) Natsource; and (3) a NEP solicitation to interested bidders.

With regard to (1), NEP did not receive a copy of the Henwood Study obtained by JP Morgan. Please see JPMorgan's response to AG 1-28.

With regard to (2), a copy of Natsource, Inc.'s market report is attached hereto.

With regard to (3), in advance of receiving the bids for Seabrook, NEP solicited expressions of interest from parties interested in purchasing NEP's potential Seabrook entitlement. A copy of NEP's solicitation is attached hereto. All responses and communications regarding the solicitation, however, are attached as confidential documents, pursuant to NEP's June 24 Motion For a Protective Order.

Witness: Terry L. Schwennesen

Information Request AG-3-5

Request:

Please provide copies of all studies of the market power of the buyer in New England as a result of its purchase of the Seabrook Station that are available to the Company.

Response:

The only study available to NEP of the market power of the buyer in New England is the Hieronymous Affidavit, which was included in the FERC application for the sale of Seabrook (EC02-70-000 and ER02-1832-000) filed on May 17, 2002, and the NHPUC application (Docket No. DE02-075), and is attached hereto.

